

2007—Subsec. (b). Pub. L. 110-172, §6(b)(1), reenacted heading without change and amended introductory provisions generally. Prior to amendment, introductory provisions read as follows: “The credit allowed under subsection (a) with respect to any alternative fuel vehicle refueling property shall not exceed—”.

Subsec. (c). Pub. L. 110-172, §6(b)(2), reenacted heading without change and amended text generally. Prior to amendment, text read as follows:

“(1) IN GENERAL.—Except as provided in paragraph (2), the term ‘qualified alternative fuel vehicle refueling property’ has the meaning given to such term by section 179A(d), but only with respect to any fuel—

“(A) at least 85 percent of the volume of which consists of one or more of the following: ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, or hydrogen, or

“(B) any mixture of biodiesel (as defined in section 40A(d)(1)) and diesel fuel (as defined in section 4083(a)(3)), determined without regard to any use of kerosene and containing at least 20 percent biodiesel.

“(2) RESIDENTIAL PROPERTY.—In the case of any property installed on property which is used as the principal residence (within the meaning of section 121) of the taxpayer, paragraph (1) of section 179A(d) shall not apply.”

2005—Subsec. (d)(2)(A). Pub. L. 109-135, §412(d), substituted “regular tax liability (as defined in section 26(b))” for “regular tax”.

Subsec. (e)(2). Pub. L. 109-135, §402(k), inserted at end “For purposes of subsection (d), property to which this paragraph applies shall be treated as of a character subject to an allowance for depreciation.”

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-312, title VII, §711(b), Dec. 17, 2010, 124 Stat. 3315, provided that: “The amendment made by this section [amending this section] shall apply to property placed in service after December 31, 2010.”

EFFECTIVE DATE OF 2009 AMENDMENT

Pub. L. 111-5, div. B, title I, §1123(b), Feb. 17, 2009, 123 Stat. 325, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 2008.”

Amendment by section 1142(b)(3) of Pub. L. 111-5 applicable to vehicles acquired after Feb. 17, 2009, see section 1142(c) of Pub. L. 111-5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

Amendment by section 1144(b)(2) of Pub. L. 111-5 applicable to taxable years beginning after Dec. 31, 2008, see section 1144(c) of Pub. L. 111-5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-343, div. B, title II, §207(c), Oct. 3, 2008, 122 Stat. 3840, provided that: “The amendments made by this section [amending this section] shall apply to property placed in service after the date of the enactment of this Act [Oct. 3, 2008], in taxable years ending after such date.”

EFFECTIVE DATE OF 2007 AMENDMENT

Pub. L. 110-172, §6(e), Dec. 29, 2007, 121 Stat. 2481, provided that:

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section [amending this section and sections 41, 45J, 4041, 4042, 4082, and 6430 of this title, and enacting provisions set out as a note under section 6430 of this title] shall take effect as if included in the provisions of the Energy Policy Act of 2005 [Pub. L. 109-58] to which they relate.

“(2) NONAPPLICATION OF EXEMPTION FOR OFF-HIGHWAY BUSINESS USE.—The amendment made by subsection (d)(3) [amending section 4041 of this title] shall apply to fuel sold for use or used after the date of the enactment of this Act [Dec. 29, 2007].

“(3) AMENDMENT MADE BY THE SAFETEA-LU.—The amendment made by subsection (d)(2)(C)(ii) [amending section 4082 of this title] shall take effect as if included in section 11161 of the SAFETEA-LU [Pub. L. 109-59].”

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by section 402(k) of Pub. L. 109-135 effective as if included in the provision of the Energy Policy Act of 2005, Pub. L. 109-58, to which such amendment relates, see section 402(m)(1) of Pub. L. 109-135, set out as an Effective and Termination Dates of 2005 Amendments note under section 23 of this title.

EFFECTIVE DATE

Pub. L. 109-58, title XIII, §1342(c), Aug. 8, 2005, 119 Stat. 1051, provided that: “The amendments made by this section [enacting this section and amending sections 38, 55, 1016, and 6501 of this title] shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.”

§ 30D. New qualified plug-in electric drive motor vehicles

(a) Allowance of credit

There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credit amounts determined under subsection (b) with respect to each new qualified plug-in electric drive motor vehicle placed in service by the taxpayer during the taxable year.

(b) Per vehicle dollar limitation

(1) In general

The amount determined under this subsection with respect to any new qualified plug-in electric drive motor vehicle is the sum of the amounts determined under paragraphs (2) and (3) with respect to such vehicle.

(2) Base amount

The amount determined under this paragraph is \$2,500.

(3) Battery capacity

In the case of a vehicle which draws propulsion energy from a battery with not less than 5 kilowatt hours of capacity, the amount determined under this paragraph is \$417, plus \$417 for each kilowatt hour of capacity in excess of 5 kilowatt hours. The amount determined under this paragraph shall not exceed \$5,000.

(c) Application with other credits

(1) Business credit treated as part of general business credit

So much of the credit which would be allowed under subsection (a) for any taxable year (determined without regard to this subsection) that is attributable to property of a character subject to an allowance for depreciation shall be treated as a credit listed in section 38(b) for such taxable year (and not allowed under subsection (a)).

(2) Personal credit

(A) In general

For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.

(B) Limitation based on amount of tax

In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall not exceed the excess of—

- (i) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over
- (ii) the sum of the credits allowable under subpart A (other than this section and sections 23 and 25D) and section 27 for the taxable year.

(d) New qualified plug-in electric drive motor vehicle

For purposes of this section—

(1) In general

The term “new qualified plug-in electric drive motor vehicle” means a motor vehicle—

- (A) the original use of which commences with the taxpayer,
- (B) which is acquired for use or lease by the taxpayer and not for resale,
- (C) which is made by a manufacturer,
- (D) which is treated as a motor vehicle for purposes of title II of the Clean Air Act,
- (E) which has a gross vehicle weight rating of less than 14,000 pounds, and
- (F) which is propelled to a significant extent by an electric motor which draws electricity from a battery which—
 - (i) has a capacity of not less than 4 kilowatt hours, and
 - (ii) is capable of being recharged from an external source of electricity.

(2) Motor vehicle

The term “motor vehicle” means any vehicle which is manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails) and which has at least 4 wheels.

(3) Manufacturer

The term “manufacturer” has the meaning given such term in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

(4) Battery capacity

The term “capacity” means, with respect to any battery, the quantity of electricity which the battery is capable of storing, expressed in kilowatt hours, as measured from a 100 percent state of charge to a 0 percent state of charge.

(e) Limitation on number of new qualified plug-in electric drive motor vehicles eligible for credit**(1) In general**

In the case of a new qualified plug-in electric drive motor vehicle sold during the phaseout period, only the applicable percentage of the credit otherwise allowable under subsection (a) shall be allowed.

(2) Phaseout period

For purposes of this subsection, the phaseout period is the period beginning with the

second calendar quarter following the calendar quarter which includes the first date on which the number of new qualified plug-in electric drive motor vehicles manufactured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after December 31, 2009, is at least 200,000.

(3) Applicable percentage

For purposes of paragraph (1), the applicable percentage is—

- (A) 50 percent for the first 2 calendar quarters of the phaseout period,
- (B) 25 percent for the 3d and 4th calendar quarters of the phaseout period, and
- (C) 0 percent for each calendar quarter thereafter.

(4) Controlled groups

Rules similar to the rules of section 30B(f)(4) shall apply for purposes of this subsection.

(f) Special rules**(1) Basis reduction**

For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed.

(2) No double benefit

The amount of any deduction or other credit allowable under this chapter for a new qualified plug-in electric drive motor vehicle shall be reduced by the amount of credit allowed under subsection (a) for such vehicle.

(3) Property used by tax-exempt entity

In the case of a vehicle the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (c)).

(4) Property used outside United States not qualified

No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1).

(5) Recapture

The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit.

(6) Election not to take credit

No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

(7) Interaction with air quality and motor vehicle safety standards

A motor vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

- (A) the applicable provisions of the Clean Air Act for the applicable make and model

year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act), and

(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

(Added Pub. L. 110-343, div. B, title II, § 205(a), Oct. 3, 2008, 122 Stat. 3835; amended Pub. L. 111-5, div. B, title I, § 1141(a), Feb. 17, 2009, 123 Stat. 326; Pub. L. 111-148, title X, § 10909(b)(2)(H), (c), Mar. 23, 2010, 124 Stat. 1023; Pub. L. 111-312, title I, § 101(b)(1), Dec. 17, 2010, 124 Stat. 3298.)

AMENDMENT OF SECTION

For termination of amendment by section 10909(c) of Pub. L. 111-148, see Effective and Termination Dates of 2010 Amendment note below.

REFERENCES IN TEXT

The Clean Air Act, referred to in subsecs. (d)(1)(D), (3), (f)(7)(A), is act July 14, 1955, ch. 360, 69 Stat. 322, which is classified generally to chapter 85 (§ 7401 et seq.) of Title 42, The Public Health and Welfare. Title II of the Act, known as the National Emissions Standards Act, is classified generally to subchapter II (§ 7521 et seq.) of chapter 85 of Title 42. Section 209(b) of the Act is classified to section 7543(b) of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 7401 of Title 42 and Tables.

AMENDMENTS

2010—Subsec. (c)(2)(B)(ii). Pub. L. 111-148, § 10909(b)(2)(H), (c), as amended by Pub. L. 111-312, temporarily substituted “section 25D” for “sections 23 and 25D”. See Effective and Termination Dates of 2010 Amendment note below.

2009—Pub. L. 111-5 amended section generally. Prior to amendment, section provided credit with respect to each new qualified plug-in electric drive motor vehicle placed in service and set forth provisions defining “applicable amount” and “new qualified plug-in electric drive motor vehicle” and stating limitations based on vehicle weight, the number of vehicles eligible for credit, and amount of tax liability.

EFFECTIVE AND TERMINATION DATES OF 2010 AMENDMENT

Amendment by Pub. L. 111-148 terminated applicable to taxable years beginning after Dec. 31, 2011, and section is amended to read as if such amendment had never been enacted, see section 10909(c) of Pub. L. 111-148, set out as a note under section 1 of this title.

Amendment by Pub. L. 111-148 applicable to taxable years beginning after Dec. 31, 2009, see section 10909(d) of Pub. L. 111-148, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-5 applicable to vehicles acquired after Dec. 31, 2009, see section 1141(c) of Pub. L. 111-5, set out as a note under section 30B of this title.

EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 2008, see section 205(e) of Pub. L. 110-343, set out as an Effective and Termination Dates of 2008 Amendment note under section 24 of this title.

SUBPART C—REFUNDABLE CREDITS

Sec.
31. Tax withheld on wages.

Sec.
32. Earned income.
33. Tax withheld at source on nonresident aliens and foreign corporations.
34. Certain uses of gasoline and special fuels.
35. Health insurance costs of eligible individuals.
36. First-time homebuyer credit.
36A. Making work pay credit.
36B. Refundable credit for coverage under a qualified health plan.
[36C. Renumbered.]
37. Overpayments of tax.

AMENDMENT OF ANALYSIS

For termination of amendment by section 10909(c) of Pub. L. 111-148, see Effective and Termination Dates of 2010 Amendment note under section 1 of this title.

AMENDMENTS

2010—Pub. L. 111-148, title X, § 10909(b)(2)(Q), (c), Mar. 23, 2010, 124 Stat. 1023, as amended by Pub. L. 111-312, title I, § 101(b)(1), Dec. 17, 2010, 124 Stat. 3298, temporarily added item 36C “Adoption expenses”.

Pub. L. 111-148, title I, § 1401(d)(2), Mar. 23, 2010, 124 Stat. 220, added item 36B.

2009—Pub. L. 111-5, div. B, title I, § 1001(e)(3), Feb. 17, 2009, 123 Stat. 312, added item 36A.

2008—Pub. L. 110-289, div. C, title I, § 3011(b)(4), July 30, 2008, 122 Stat. 2891, added item 36 and redesignated former item 36 as 37.

2002—Pub. L. 107-210, div. A, title II, § 201(c)(2), Aug. 6, 2002, 116 Stat. 960, which directed amendment of the table of sections for subpart C of part IV of this chapter by adding items 35 and 36 and striking out the last item, was executed to the table of sections for this subpart which is in part IV of subchapter A of this chapter by adding those items and striking out former item 35 “Overpayments of tax” to reflect the probable intent of Congress.

1984—Pub. L. 98-369, div. A, title IV, § 471(b), July 18, 1984, 98 Stat. 826, added subpart C heading and analysis of sections for subpart C consisting of items 31, 32 (formerly 43), 33 (formerly 32), 34 (formerly 39), and 35 (formerly 45). Former subpart C, setting out the rules for computing credit for expenses of work incentive programs, was repealed.

§ 31. Tax withheld on wages

(a) Wage withholding for income tax purposes

(1) In general

The amount withheld as tax under chapter 24 shall be allowed to the recipient of the income as a credit against the tax imposed by this subtitle.

(2) Year of credit

The amount so withheld during any calendar year shall be allowed as a credit for the taxable year beginning in such calendar year. If more than one taxable year begins in a calendar year, such amount shall be allowed as a credit for the last taxable year so beginning.

(b) Credit for special refunds of social security tax

(1) In general

The Secretary may prescribe regulations providing for the crediting against the tax imposed by this subtitle of the amount determined by the taxpayer or the Secretary to be allowable under section 6413(c) as a special refund of tax imposed on wages. The amount allowed as a credit under such regulations shall, for purposes of this subtitle, be considered an